

Chapter 173-322 WAC

REMEDIAL ACTION GRANTS AND LOANS

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-020 Definitions. Unless otherwise defined in this chapter, words and phrases used in this chapter shall be defined according to WAC 173-340-200.

"Act" means the "Model Toxics Control Act," chapter 70.105D RCW.

"Agreed order" means an order issued under WAC 173-340-530.

"Area-wide ground water contamination" means multiple adjacent properties with different ownership affected by hazardous substances from multiple sources that have resulted in commingled plumes of contaminated ground water that are not practicable to address separately.

"Cleanup action" means any remedial action, except interim actions, taken at a site to eliminate, render less toxic, stabilize, contain, immobilize, isolate, treat, destroy, or remove a hazardous substance that complies with cleanup standards, utilizes permanent solutions to the maximum extent practicable, and includes adequate monitoring to ensure the effectiveness of the cleanup action.

"Consent order" means an order issued under chapter 90.48 or 70.105B RCW.

"Coordinated water system plan" means a plan for public water systems within a critical water supply service area which identifies the present and future water system concerns and sets forth a means for meeting those concerns in the most efficient manner possible pursuant to chapter 246-293 WAC.

"Decree" means a consent decree under WAC 173-340-520.

"Consent decree" is synonymous with decree.

"Department" means the department of ecology.

"Disposal" means a remedial action which removes hazardous substances from the site and places the hazardous substances in an engineered, regulatory-complaint facility as a final destination.

"Enforcement order" means an order issued under WAC 173-340-540.

"Grant agreement" means a binding agreement between the local government and the department that authorizes the transfer of funds to the local government to reimburse it for a portion of expenditures in support of a specified scope of services.

"Hazard ranking" means the ranking for hazardous waste sites used by the department pursuant to chapter 70.105D RCW.

"Hazardous substances" means any substances as defined in WAC 173-340-200.

"Hazardous waste site" means any facility where there has been confirmation of a release or threatened release of a hazardous substance that requires remedial action.

"Independent remedial actions" means remedial actions conducted without department oversight or approval and not under an order or decree.

"Interim action" means a remedial action conducted under WAC 173-340-430 that partially addresses the cleanup of a site.

"Local government" means any political subdivision, regional governmental unit, district, municipal or public corporation, including cities, towns, and counties. The term encompasses but does not refer specifically to the departments within a city, town, or county.

"Minimum functional standards" means the requirements of chapters 173-304 and 173-351 WAC, the minimum functional standards for solid waste handling.

"National Priorities List (NPL)" means a list of hazardous waste sites at which the United States Environmental Protection Agency intends to proceed with enforcement or cleanup action.

"No further action (NFA) determination" means an opinion issued by the department under WAC 173-340-515 (5)(b).

"Oversight costs" are remedial action costs of the department or the United States Environmental Protection Agency reasonably attributable to the administration of an order or decree for remedial action at a hazardous waste site.

"Pilot study" means an experiment in remedial action method, with the purpose of testing the suitability of a particular cleanup technology or process for remedial action at a particular site.

"Potentially liable person (PLP)" means any person whom the department finds, based on credible evidence, to be liable under RCW 70.105D.040.

"Public water system" means any system, excluding a system serving only one single-family residence and a system with four or fewer connections all of which serve residences on the same farm, providing piped water for human consumption, including any collection, treatment, storage, or distribution facilities under control of the purveyor and used primarily in connection with the system and collection or pretreatment storage facilities not under control of the purveyor but primarily used in connection with such system.

"Purveyor" means an agency or subdivision of the state or a municipal corporation, firm, company, mutual or cooperative association, institution, partnership, or person or any other entity that owns or operates a public water system, or the authorized agent of such entities.

"Recycling" means a remedial action which permanently removes hazardous substances from the site and successfully directs the material into a new product suitable for further industrial or consumer use.

"Remedial action" means any action or expenditure to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment including any investigative and monitoring activities with respect to any release or threatened release of a hazardous substance and any health assessments or health effects studies conducted in order to determine the risk or potential risk to human health.

"Remedial design (RD)" means an engineering study during which technical plans and specifications are developed to guide subsequent cleanup action at a hazardous waste site.

"Remedial investigation/feasibility study (RI/FS)" means a study intended to collect, develop, and evaluate sufficient information regarding a site to enable the selection of a cleanup action.

"Safe drinking water" means water meeting drinking water quality standards set by chapter 246-290 WAC.

"Safe drinking water action" means an action by a local government purveyor or other purveyor to provide safe drinking water through public water systems to areas contaminated by or threatened by contamination from hazardous waste sites.

"Site hazard assessment" means a remedial action that consists of an investigation performed under WAC 173-340-320.

"Site study and remediation" means remedial investigation, feasibility study, pilot study, remedial design, interim action or cleanup action at hazardous waste sites ~~((at which a local government is a potentially liable person (PLP) identified by the department))~~.

"Treatment" means a remedial action which permanently destroys, detoxifies, or recycles hazardous substances.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-030 Relation to other legislation and administrative rules. (1) Nothing in this chapter shall influence, affect, or modify department programs, regulations, or enforcement of applicable laws relating to hazardous waste investigation and cleanup.

(2) Nothing in this chapter shall modify the legal settlements and ~~((enforcement))~~ orders the department has secured with potentially liable persons for remedial action. The execution of remedies pursuant to court order or decree shall in no way be contingent upon the availability of grant funding.

(3) All grants shall be subject to existing accounting and auditing requirements of state laws and regulations applicable to the issuance of grant funds.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-040 Applicant eligibility. (1) All applicants must be local governments as defined in this chapter.

(2) Site study and remediation grants. Eligibility for site study and remediation grants is limited to applicants that meet the following standards:

(a) The applicant must be a local government ~~((which))~~ that is a potentially liable person (PLP) at a hazardous waste site; or owns a site but is not a PLP; or applies for a remediation grant for area-wide ground water contamination. The local government may be the sole PLP, or there may be other PLPs at the site.

(b) The local government must meet one of the following standards:

(i) The department must have required the local government to perform some phase of remedial action, or have approved or reviewed a completed remedial action. That requirement ~~((may))~~, approval or review shall take ~~((any))~~ one of the following forms ~~((, hereinafter referred to as "order or decree"))~~:

(A) A consent decree under chapter 70.105D or 70.105B RCW requiring remedial action at the site; or

(B) An enforcement order or an agreed order under chapter 70.105D or 70.105B RCW prior to March 1, 1989, requiring remedial action at the site; or

(C) An enforcement order (~~(or a)~~), consent order or consent decree under chapter 90.48 RCW requiring remedial action at the site or an amendment to such an order subsequent to March 1, 1989; or

(D) An underground storage tank (UST) compliance order; or

(E) A no further action (NFA) determination issued after completion of an independent remedial action.

(ii) The local government which is also a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) must have entered into a decree requiring remedial action at a hazardous waste site with the United States Environmental Protection Agency, provided that such agreement has been signed or acknowledged by the department in writing as a sufficient basis for remedial action grant funding.

(iii) The local government must have signed an agreement with the department requiring another PLP to perform remedial action at a landfill site and that agreement must take one of the forms specified in (b)(i) of this subsection. The local government must also have entered into an agreement with that PLP to reimburse the PLP for a portion of incurred remedial action costs with the sole purpose of providing relief to ratepayers and/or taxpayers from some remedial action costs.

(3) Safe drinking water action grants. Eligibility for safe drinking water action grants is limited to applicants who meet the following standards:

(a) The applicant must be a local government purveyor as defined in WAC 173-322-020 or be a local government applying on behalf of a purveyor.

(b) The subject water system must be in an area determined by the department of ecology to be a hazardous waste site or threatened by contamination from a hazardous waste site.

(c) The subject water system must exhibit levels of contamination which exceed the primary maximum contaminant levels (MCLs) set by WAC 246-290-310 or EPA standards as determined by the department of health, or exhibit levels of contamination which exceed the standards set by WAC 173-340-700 through 173-340-760 as determined by the department of ecology, or be certified by the state department of health that a contaminant threatens the safety and reliability of a public water system which cannot be remedied solely by operational solutions. Contaminants must include at least one hazardous substance. If the contaminant is a nitrate or a trihalomethane, it must be determined to have originated from a hazardous waste site.

(d) An order or decree must be issued to the identified potentially liable persons requiring that safe drinking water be provided to the contaminated area as part of a remedial action. The department may waive this requirement if it has determined that no viable potentially liable persons exist, or if public health would be threatened from unreasonable delays associated with the search for potentially liable persons, or the order or decree process.

(e) If water line extensions are included in the proposed projects, such extensions must be consistent with the coordinated water system plan and growth management plan for the geographic area containing the affected water supplies.

(f) The applicant must be in substantial compliance, as determined by the department of health, with applicable rules of the Washington state board of health or the department of health, as contained in chapter 246-290 WAC (Public water supplies), chapter 246-292 WAC (Water works operator certification), chapter 246-293 WAC (Water System Coordination Act), and chapter 246-294 WAC (Drinking water operating permits).

(4) Site hazard assessment grants. The purpose of site hazard assessment grants is to involve local health districts and departments in assessing the degree of contamination at suspected hazardous waste sites according to WAC 173-340-320. While enabling local health districts or departments to participate in the scoring and ranking process, the department retains the authority to review and verify the results of a site hazard assessment and to establish the hazard ranking of the site. Eligibility for site hazard assessment grants is limited to applications that meet the following standards:

(a) The applicant must be a local health district or department.

(b) The scope of work for a site hazard assessment must conform to WAC 173-340-320 and prescribed guidelines issued by the department.

(c) The assessment must be for sites agreed to by the department.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-050 Project and cost eligibility. (1) Costs for site study and remediation.

(a) Eligible costs include reasonable costs, including sales tax, incurred in performing:

- (i) Remedial investigations((~~-~~))i
- (ii) Feasibility studies((~~-~~))i
- (iii) Remedial designs((~~-~~))i
- (iv) Pilot studies((~~-~~))i
- (v) Interim actions((~~-~~))i
- (vi) Landfill closures as required by chapters 173-304 and 173-351 WAC if included in the order or decree for remedial action(~~((, and as limited by WAC 173-322-090.))~~)i
- (vii) Other remedial action included in the order or decree for remedial action((~~-~~)), or included as part of the independent remedial action for which a no further action (NFA) determination is issued;
- (viii) Capital costs of long-term monitoring systems((~~-~~))i
and
- (ix) Operating and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed or constructed.
- (b) Ineligible costs:
 - (i) Retroactive costs except as limited by WAC 173-322-100((~~-~~))i
 - (ii) Legal fees and penalties((~~-~~))i
 - (iii) Oversight costs((~~-~~))i
 - (iv) Operating and maintenance costs after the first year of accomplishing the remedial action((~~-~~))i
 - (v) Operating and maintenance costs of long-term monitoring((~~-~~))i and
 - (vi) ~~((Costs incurred in conducting independent remedial actions.~~
 - ~~((vii)))~~ At sites other than landfills, additional ineligible costs will include costs incurred to meet departmental requirements for source control and prevention.
- (2) Costs for safe drinking water actions.
 - (a) Eligible costs include reasonable costs, including sales tax, incurred for:
 - (i) Water supply source development and replacement, including pumping and storage facilities, source meters, and reasonable appurtenances((~~-~~))i
 - (ii) Transmission lines between major system components, including inter-ties with other water systems((~~-~~))i
 - (iii) Treatment equipment and facilities((~~-~~))i
 - (iv) Distribution lines from major system components to system customers or service connections((~~-~~))i
 - (v) Fire hydrants((~~-~~))i
 - (vi) Service meters((~~-~~))i
 - (vii) Project inspection, engineering, and administration((~~-~~))i
 - (viii) Other costs identified by the state department of health as necessary to provide a system that operates in compliance with federal and state standards, or by the

coordinated water system plan as necessary to meet required standards((+));

(ix) Other costs identified by the department of ecology as necessary to protect a public water system from contamination from a hazardous waste site or to determine the source of such contamination((+));

(x) Individual service connections, including any fees and charges, provided that property owners substantially participate in financing the cost of such connections((+));

(xi) Drinking water well abandonment for wells identified by the department as an environmental safety or health hazard according to WAC 173-160-415((+)); and

(xii) Interim financing where necessary as a prerequisite to local government issuance of revenue bonds.

(b) Ineligible costs include:

(i) Legal fees and penalties((+));

(ii) Ecology oversight costs((+));

(iii) Operating and maintenance costs((+));

(iv) Retroactive costs except as limited by WAC 173-322-100;

(v) Natural resource damage assessment; and

(vi) Costs for source control or pollution prevention activities at sites other than landfills.

(3) Costs for site hazard assessments. Eligible costs include costs for activities performed pursuant to WAC 173-340-320 and enabling local health districts or departments to participate in the department's site ranking and priority-setting process.

(4) Costs must be eligible under this section and must be approved by the department in order to be eligible for reimbursement.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-060 Application process. (1) Application period. The department shall determine appropriate application periods.

(2) Grant applications must:

(a) Include a commitment by the applicant for local funds to match grant funds according to the requirements of WAC 173-322-090.

(b) For site study and remediation projects include a scope of work which accomplishes the requirements of an order or decree.

(c) For safe drinking water action projects, include a scope of work necessary to provide safe drinking water to the area threatened or contaminated.

(d) For site hazard assessment projects, include a scope of work which conforms to the requirements of WAC 173-340-320(4).

(e) For independent remedial actions, include a description of the remedial action for which a no further action (NFA) determination was issued and include a copy of the NFA determination document.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-070 Application evaluation and prioritization.

(1) When pending grant applications or anticipated demand for site study and remediation grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on (~~criteria identified in grant guidelines, including~~) the following:

(a) Relative hazard ranking as determined by the department in accordance with WAC 173-340-330 or the United States Environmental Protection Agency's National Priorities List ranking. Higher ranking sites will receive a higher funding priority.

(b) Evidence that the grant will expedite cleanup.

(c) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(2) When pending grant applications or anticipated demand for safe drinking water action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on (~~criteria identified in grant guidelines, including~~) the following:

(a) Relative risk to human health as jointly determined by the department of ecology, in accordance with WAC 173-340-330, and the department of health, in accordance with WAC 246-290-310. Sites with greater risk will receive higher funding priority.

(b) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(c) Ownership of the water system to be extended or improved. Local government-owned systems will receive higher funding priority than other systems.

(d) Number of people served by the water system and per capita cost of remediation.

(3) When pending grant applications or anticipated demand

for site hazard assessment grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on ~~((criteria identified in grant guidelines, including))~~ the following:

(a) Potential public health or environmental threat from the sites.

(b) Ownership of the sites. Publicly-owned sites will receive priority over privately-owned sites.

(c) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-090 State assistance share, local cash match, economic disadvantage, and role of potentially liable persons.

(1) Except as otherwise provided in this section, costs eligible for site study and remediation and safe drinking water action grants will be considered for grant funding at up to fifty percent, except ~~((that local governments that do not qualify as economically disadvantaged shall receive no more than five hundred thousand dollars for the minimum landfill closure requirements of chapter 173-304 WAC))~~ in the case of site study and remediation grants with eligible costs of over two hundred thousand dollars, local governments who utilize treatment, recycling and/or disposal as part or all of the cleanup action shall be eligible to receive an additional fifteen percent. Independent remedial action grant funds are available only for projects with eligible costs of less than two hundred thousand. The additional fifteen percent funds do not apply to independent remedial actions.

(2) Costs for site hazard assessments which are eligible under WAC 173-322-050(3) will be considered for grant funding of up to one hundred percent. ~~((No grant for site hazard assessment shall exceed two hundred thousand dollars per health district or department per biennium.))~~

(3) Costs for area-wide ground water contamination remediation grants will be considered for grant funding of more than fifty percent. Local governments shall be required to obtain partial reimbursement from PLPs. Reasonable measures shall be taken by local governments to maximize reimbursement. The amount of grant funds and how much to pay back will be determined by the department on a case-by-case basis.

(4) Grant funding for economically disadvantaged local governments.

(a) In addition to grant funding under subsection (1) of this section, economically disadvantaged local governments may apply for up to twenty-five percent supplemental funding(~~((, not to exceed seventy-five percent of eligible costs))~~). This additional funding will be contingent on satisfactory demonstration of extraordinary financial need.

(b) A local government is considered economically disadvantaged if it is a county, or a local government within a county, which meets both of the following criteria:

(i) Per capita income, as measured by the latest official estimate of the Washington state office of financial management, is in the lower twenty counties in the state; and

(ii) It is economically distressed as defined by chapter 43.165 RCW.

(c) The department will include a list of counties which are economically disadvantaged as defined herein in the guidelines for remedial action grants to be published on a biennial basis.

~~((4))~~ (5) For applicants eligible for site study and remediation grants, if a decree or order requires a potentially liable person (PLP) other than a local government to conduct remedial action, the financial contribution of that PLP will be deducted from the amount eligible for grant funding to the local government.

~~((5))~~ (6) For applicants eligible for safe drinking water action grants, funding from either the local government or the PLP may be used to match remedial action grant funds.

~~((6))~~ (7) As established by the Model Toxics Control Act, chapter 70.105D RCW, and implementing regulations, the potentially liable persons bear financial responsibility for remedial action costs. The remedial action grant program may not be used to circumvent the PLP responsibility.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-100 Fiscal controls. (1) The department will establish reasonable costs for all grants, require applicants to manage projects in a cost effective manner, and ensure that all potentially liable persons (PLPs) assume responsibility for remedial action.

(2) The department retains the authority to issue grants which reimburse the recipient for less than the maximum percentage allowable under WAC 173-322-090.

(3) Cap on site funding. Except for independent remedial

actions where a no further action (NFA) determination is issued after cleanup has been completed, after the remedial investigation and feasibility study have been completed and a final remedial action plan has been developed by an eligible applicant, the department and the applicant will establish a final cleanup budget and negotiate a grant agreement. The grant amount in this agreement will be the final department remedial action grant fund commitment for cleanup at that hazardous waste site. Grant agreements may be amended, but requests to increase the remedial action grant budget at that site will receive a lower priority than other applications.

(4) Retroactive funding. Grant funding of costs already incurred prior to the date of the grant agreement may be allowed to local governments ((PLPs)) where the order or decree with the department, if any, postdates March 1, 1989, and under one or more of the following circumstances:

(a) If the grant application period is closed when the order or decree becomes effective;

(b) If the department unreasonably delays the processing of a remedial action grant application;

(c) If there are inadequate funds in the local toxics control account to cover the entire scope of work required by decree or order; and/or

(d) If remedial actions not required by decree or order have proceeded, grants for this work may be made if the department later formally includes such work items in a decree or order, or for independent remedial actions conducted no earlier than five years before the date of application if a no further action (NFA) determination is given for that independent remedial action.

(5) Reimbursement of grant funds. If the department awards remedial action funds to a local government that successfully pursues a ((successful settlement)) private right of action against a PLP who has not settled with the department or successfully pursues a claim for insurance proceeds, then the department shall be reimbursed for a proportional share of the ((settlement)) moneys received, after the local government's legal fees in pursuing such ((contribution)) actions have been deducted.

(6) Repayment of grant funds. Where the department provides a remediation grant for area-wide ground water contamination to a local government, the grant amount shall be partially repaid to the department where ownership of property affected by the grant is held by private parties. The terms and amount of repayment will be included in the grant agreement between the local government and the department.

AMENDATORY SECTION (Amending WSR 93-24-047, filed 11/23/93, effective 12/24/93)

WAC 173-322-110 Grant administration. (1) Local governments will be periodically informed of the availability of remedial action grant funding.

(2) A grant application package will be sent to all parties expressing interest in remedial action grants and to all local governments that have been required by decree or order to perform remedial actions. Grant application packages will include grant guidelines and application forms.

(3) Application must be made within sixty days after the date that a decree or order becomes effective or for independent remedial actions, within sixty days of receipt of a no further action (NFA) determination.

(4) The department will prepare a guidance manual on a biennial basis to assist grant applicants and to facilitate compliance with this regulation.

(5) Appropriation and allocation of funds. Grants will be awarded within the limits of available funds. The obligation of the department to make grant payments is contingent upon the availability of funds through legislative appropriation and allotment, and such other conditions not reasonably foreseeable by the department rendering performance impossible. When the grant crosses over bienniums, the obligation of the department is contingent upon the legislative appropriation of funds for the next biennium.

(6) Remedial action grants shall be used to supplement local government funding and funding from other sources to carry out required remedial action.

(7) The department may fund all or portions of eligible grant applications.

(8) To the extent that the Constitution and laws of the state of Washington permit, the grantee shall indemnify and hold the department harmless, from and against, any liability for any or all injuries to persons or property arising from the negligent act or omission of the grantee arising out of a grant contract.

(9) All grants under this chapter shall be consistent with "Administrative Requirements for Ecology Grants and Loans" WDOE publication No. 91-18, revised October 2000.

AMENDATORY SECTION (Amending Order 89-45, filed 5/1/90, effective 6/1/90)

WAC 173-322-120 ((Grant administration.)) Loans. ((1))
~~Local governments will be periodically informed of the availability of remedial action grant funding.~~

~~(2) A grant application package will be sent to all parties expressing interest in remedial action grants and to all local governments that have been required by decree or order to perform remedial actions. Grant application packages will include grant guidelines and application forms.~~

~~(3) Application must be made within sixty days after the date that a decree or order becomes effective, or within sixty days of the effective date of this rule for local governments which meet the requirements of WAC 173-322-050, but which have not submitted an application for remedial action grant funding.~~

~~(4) The department will prepare a guidance manual on a biennial basis to assist grant applicants and to facilitate compliance with this regulation.))~~ The department may award a loan or combination loan and grant to a grant applicant. Loan terms and the repayment provisions of a loan shall be established on a case-by-case basis under an agreement between the local government and the department.